an amount and on that, it was reduced to a lump 2 lakhs of rupees. No-body knows from which the 40 thousand is taken away, whether it is from the military contribution or the contribution for lands. From whatever it be, there is a strong case that at least that portion that is given in lieu of territories and which has now been paid continuously for over 150 years, should be done away with. Because the whole political situation is changing and quite novel set of ideas are coming into force. Also there is a suggestion that the military contribution that we are paying should be done away with, because we are already making our contributions by way of Imperial Excise Revenue. For example, we are consuming a good deal of Petrol and Kerosine and thereby adding to the federal indirect taxes. Cochin's view also with regard to the Customs has always been that she cannot give up the Customs Revenue, because her Budget, even with the Customs Revenue on, is only barely balanced. We do not know where we will be in the matter of expenditure after a few years. This is the only elastic source of revenue and if that be given up, the State may find itself very very difficult even to carry on the day to day administration, because the port will be developing and large sums will have to be spent by way of sanitation, by way of public improvement works and by way of starting new schools. I mean, population will increase in very great numbers, at least in the port areas and the areas that surround the port and that to meet their demands important development schemes may have to be taken up. That means money. Therefore it is necessary to retain the Customs Revenue at any cost. With regard to salt also, we have said that we cannot give it up. That is in short the position taken up by Cochin with regard to the States Committee. I do not know what their decisions and report will be. But anyhow the State will have, I think, another opportunity to press the matter if anything goes contrary to their wishes. In the meanwhile we can also watch what other States are doing and make a settlement which will not hamper Federation, but at the same time preserve the claims, economic and political, of the State.

Prorogation of the Council.

President:—I must thank all the Hon'ble Members for their kind support during this meeting of the Council. Now I prorogue the Council.

The House rose for the day at 1-25 P.M.

C. J. MATHEW,
Secretary to the Council.

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